

# PHILIPS

## *The Golden Hand Shake*

***Shanthi Padmanabhan***

***Vice President***

***Philips Consumer Electronics***

***Philips Innovation Campus***

***Bangalore***

# Wake up



STREAMIUM



back

wake  
up

get  
dressed

have  
breakfast

travel  
to work

safeguard  
your health

work with  
pleasure

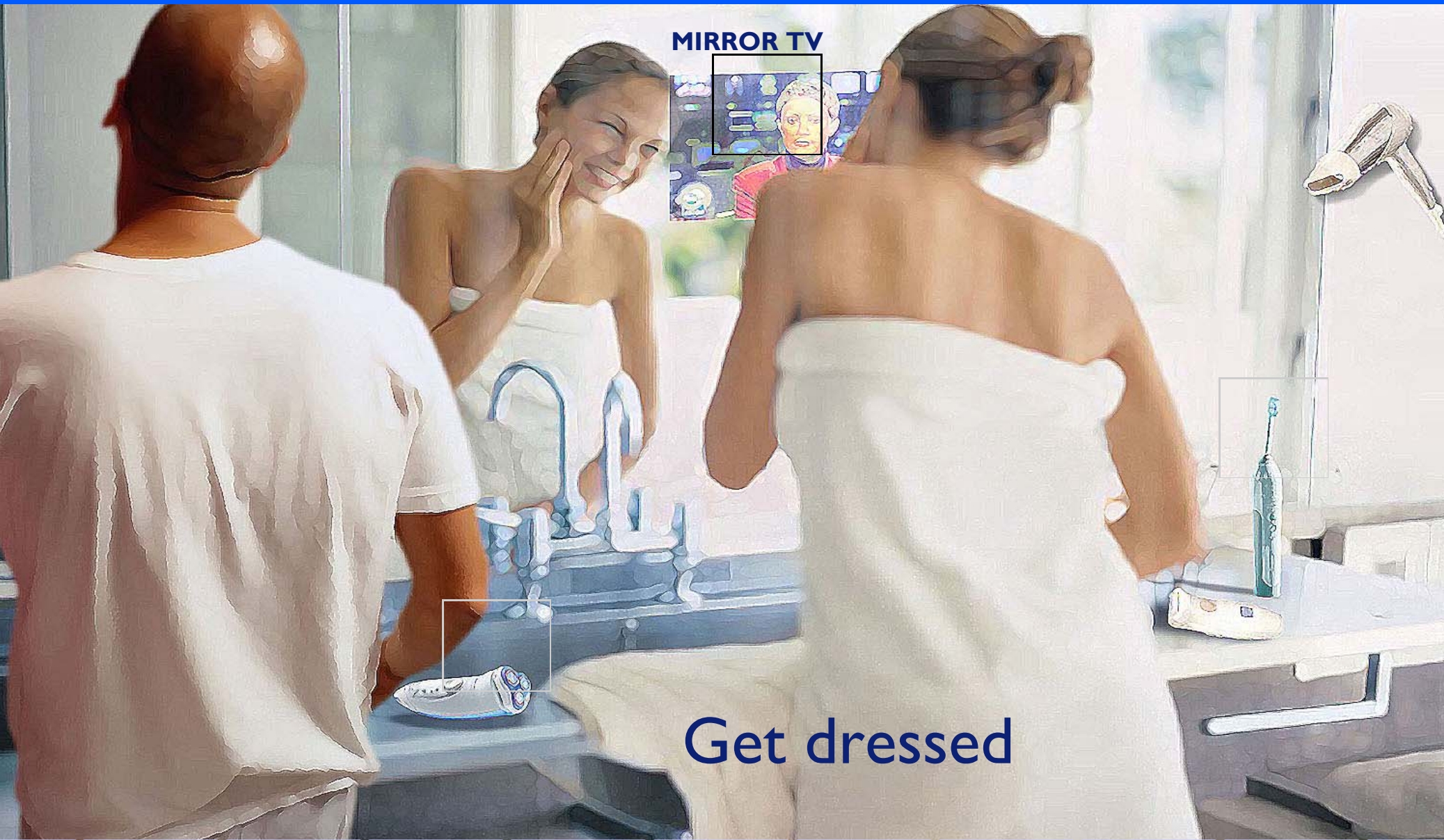
return  
home

relax and  
unwind

facts &  
figures

next

st high



Get dressed



## Have breakfast



back

wake  
up

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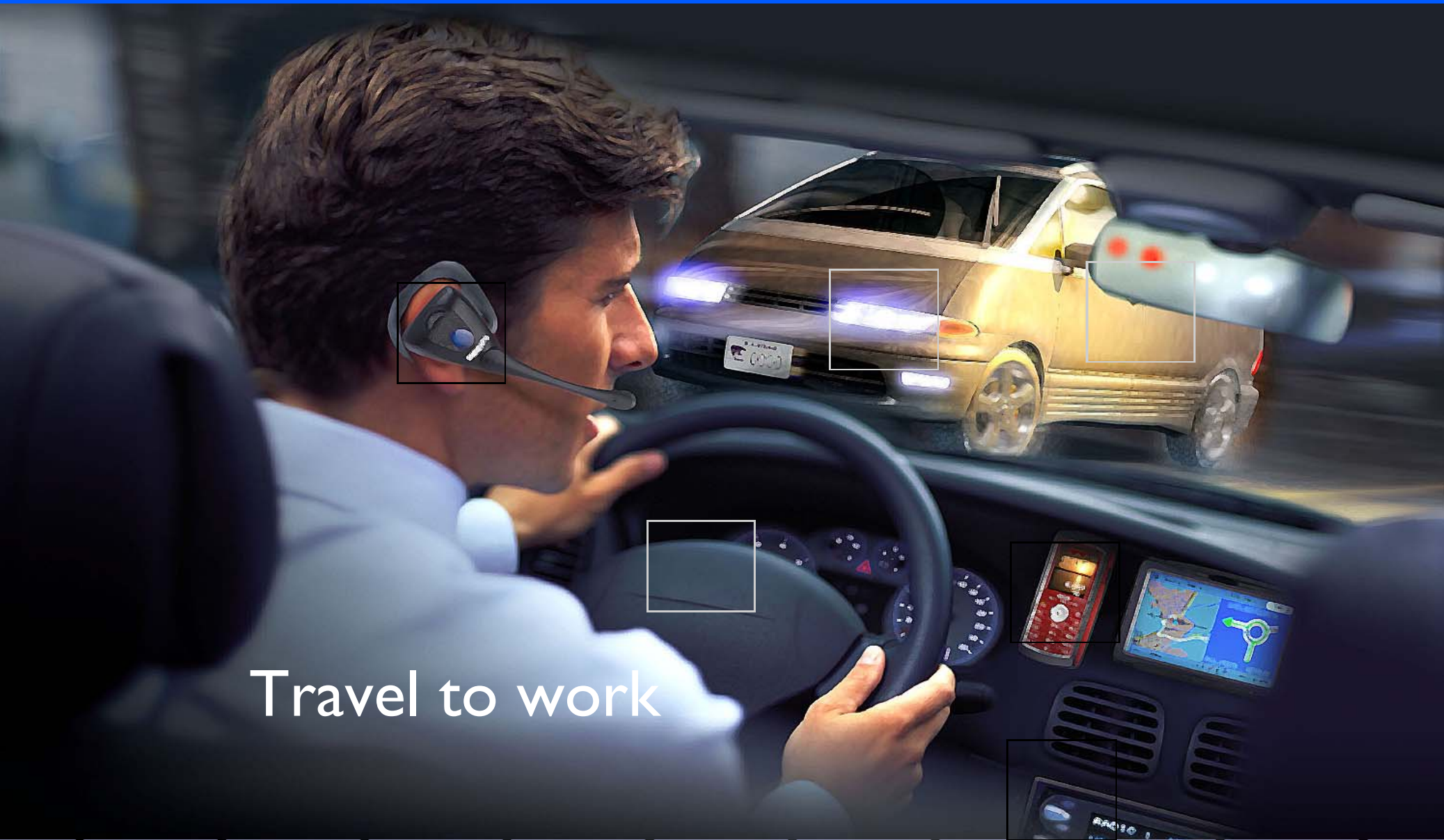
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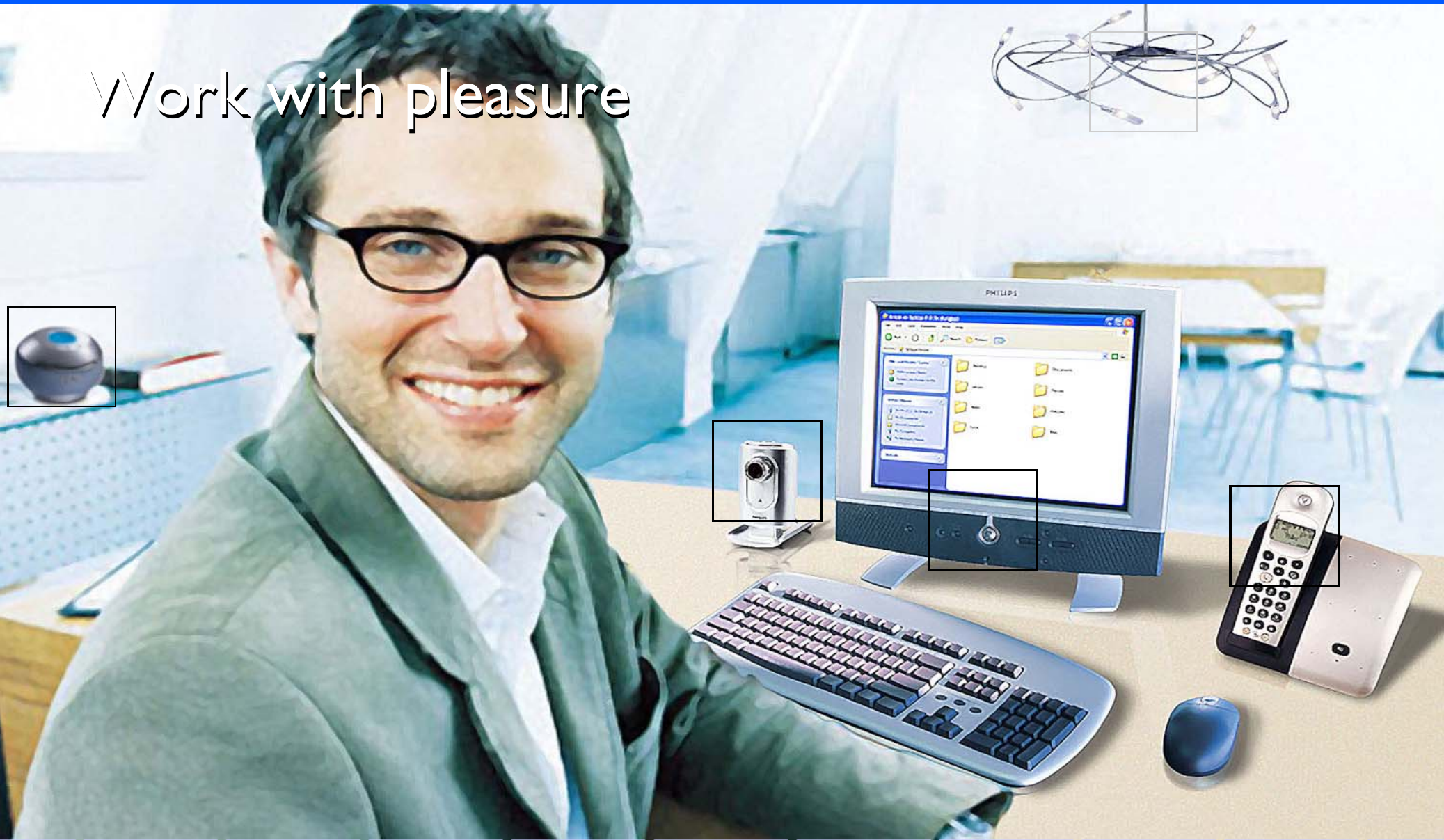
# Travel to work





Safeguard your health

# Work with pleasure





Return home





## Relax and unwind



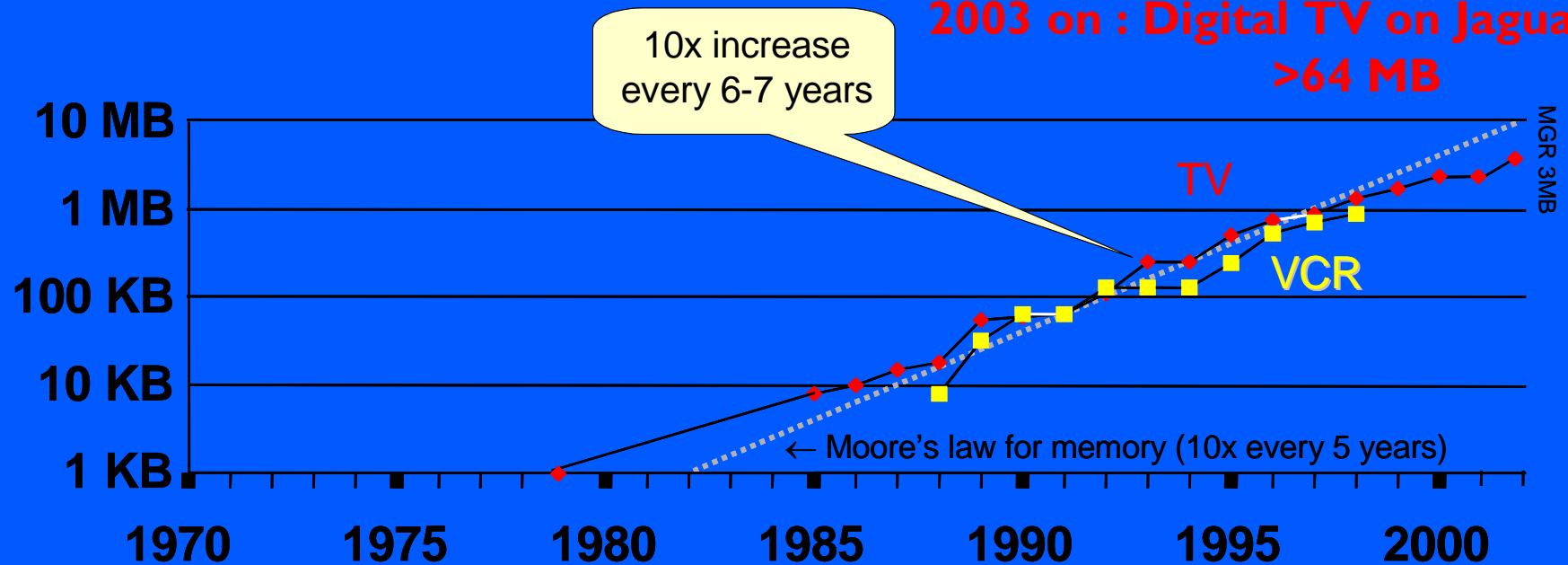
## (Growing) Technologies in devices





..... leading to Exponential Software Growth

**2003 on : Digital TV on Jaguar  
>64 MB**



No SW



1 KB



64 KB



2048 KB



## Philips Innovation Campus (PIC)

- 100% Philips owned
  - Inaugurated in September 1996
  - Close to 1300 people today
  - SEI CMM Level 5 and ISO certifications
- Product Divisions
  - Philips Consumer Electronics
  - Philips Medical Systems
  - Philips Semiconductors
  - Philips Digital Systems Lab
  - Philips Intellectual Property & Standards
  - Philips Research
  - Philips Software Group
  - Philips Business Process Sourcing





## Philips Innovation Campus (PIC)

- Managed by a Board Of Directors
  - Chief Technology Officers of all participating PD's
  - CFO of Philips India
  - Chief Executive Officer of PIC



## Philips Consumer Electronics & Semiconductors



PC



Web Pad

RC Editors  
Ravi R



Pronto



Audio Platforms from  
Philips  
Semiconductors  
Dineshkumar



TV Platforms from  
Philips  
Semiconductors  
Kishore Reddy

High End TV  
Srihari M

Digital Audio  
Balaji Gupta



HIGHLIGHTS

Internet Audio



Personal Infotainment  
Ravi R



Nike Wearable products

DVD Players &  
DVD Recorders  
Jayanth KM



DVD Platforms from  
Philips  
Semiconductors  
Dineshkumar

DVD Players &  
Recorders

Audio Juke Box



800+ Engineers



# Software Building-Blocks and our Contribution

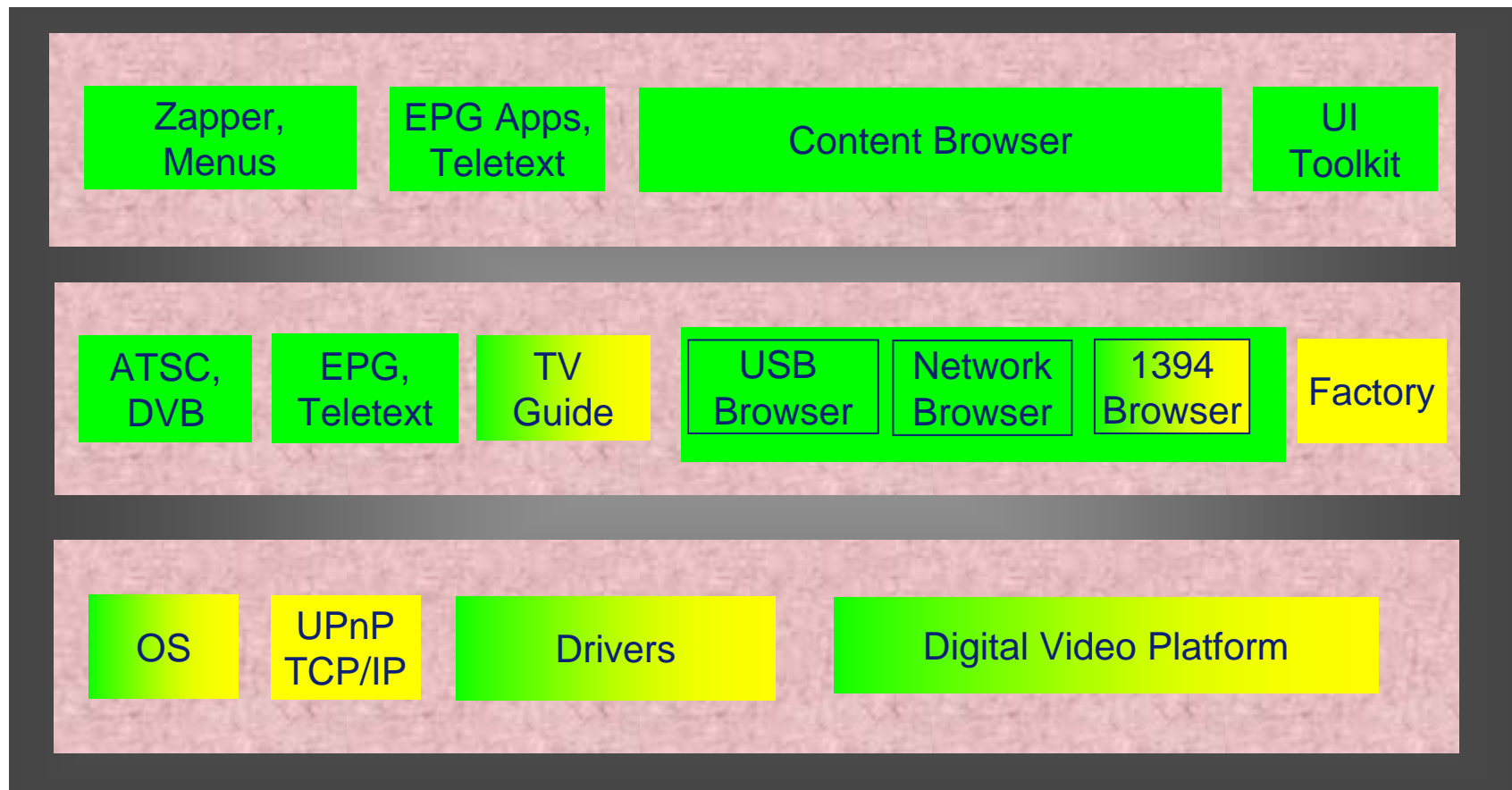


Application Layer

Middleware Layer

Platform Layer

# Software Building-Blocks and our Contribution





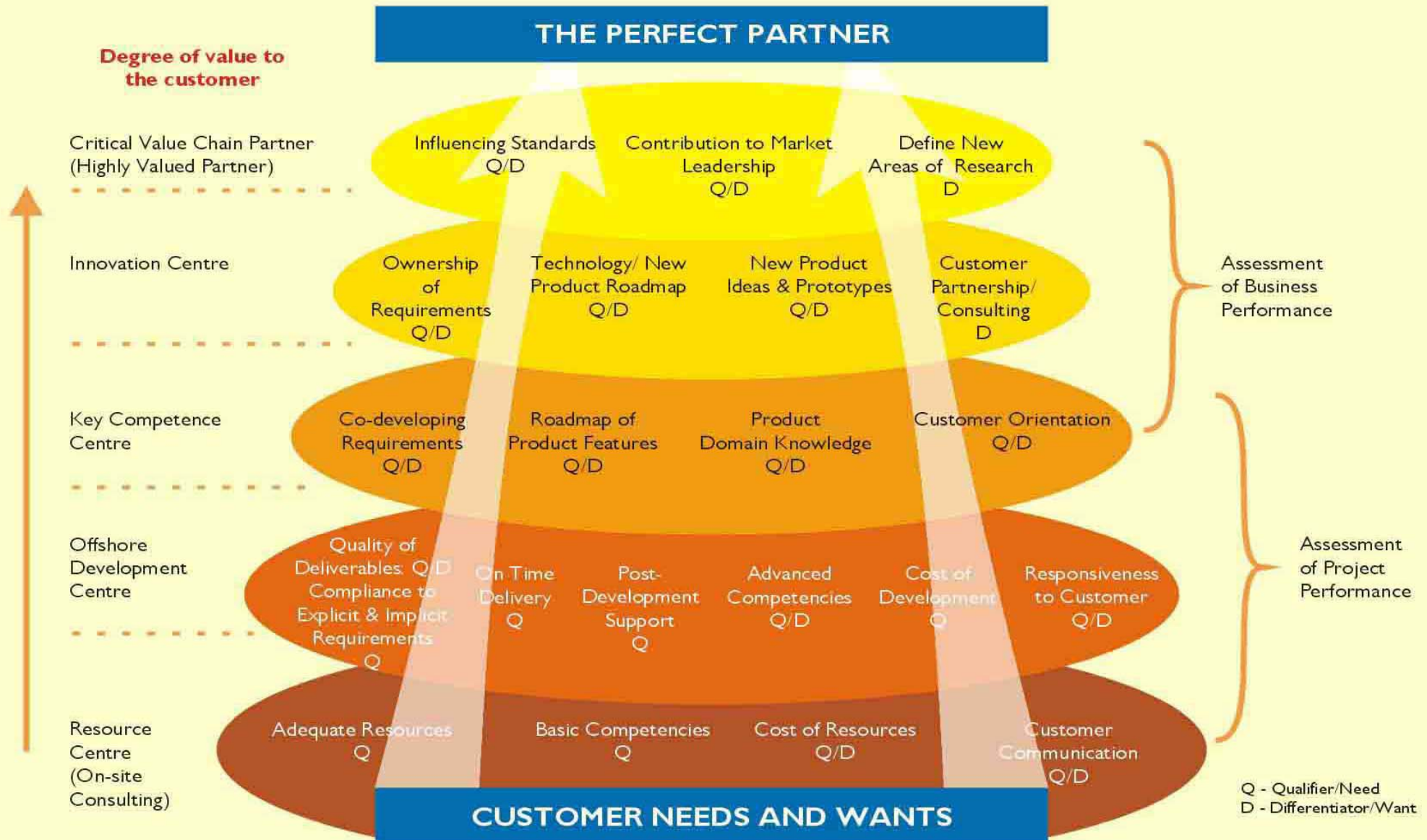
# Our Contribution & Involvement

- 57% of the worldwide software resources at Bangalore
- 70-100% of all Software
- Requirements Management
- Supplier Management
- Product Integration & Release
- Technology Know how Generation
- Interoperability & Validation of devices in a Connected Environment

**Not a “services” company; Expected to deliver total solutions**

**Involvement in all stages of the Business Creation Process is key to become a  
critical partner**

## Partnership Maturity Index



# Our Drive to becoming a Perfect Partner

Business Performance

Project Performance

**Critical Value Chain Partner**

**Innovation Centre**

**Key Competence Centre**

**Offshore Development Centre**

**Resource Centre**

- Ownership of Requirements
- Technology/New Product Roadmap
- New Product Ideas & Prototypes
- Customer Partnership/Consulting

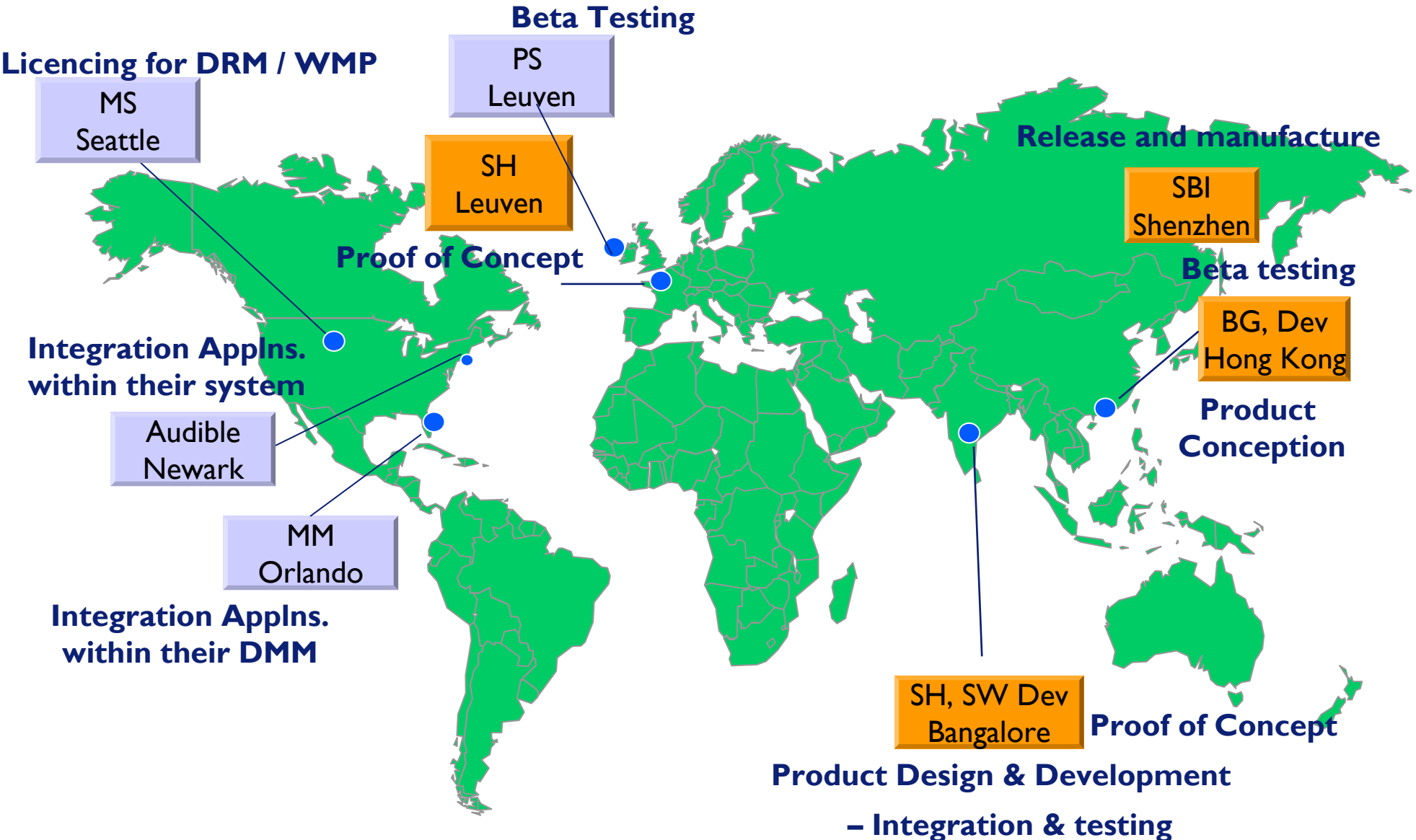
- Co-Development
- Roadmap of Product Features
- Product Knowledge
- Customer Orientation

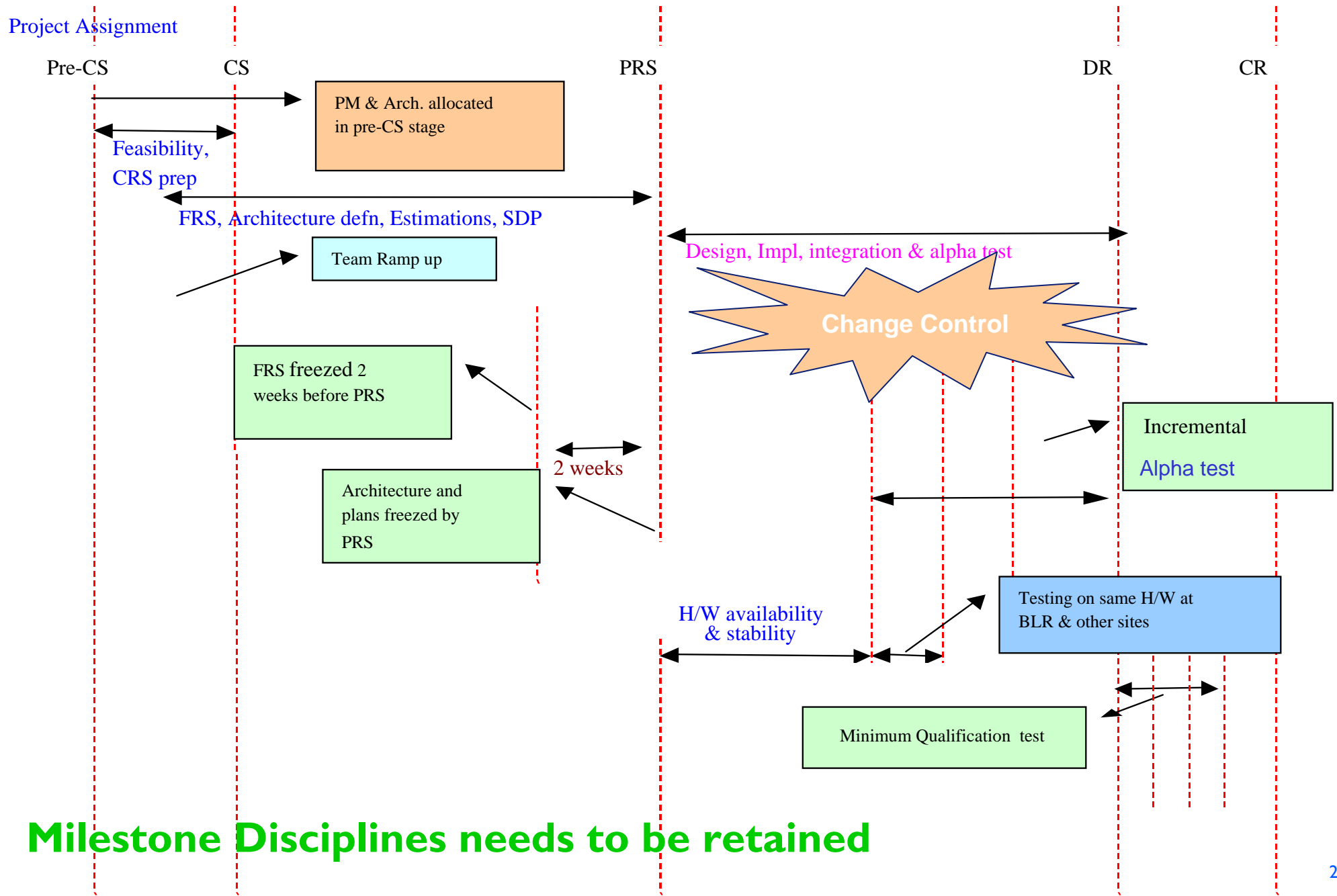
- Post Development Support
- Advanced Competencies
- Adequate
- Cost of Development
- Basic Competencies
- Responsiveness to Customers
- Cost of Resources
- Customer Communication



## Top 5 Critical Success Factors

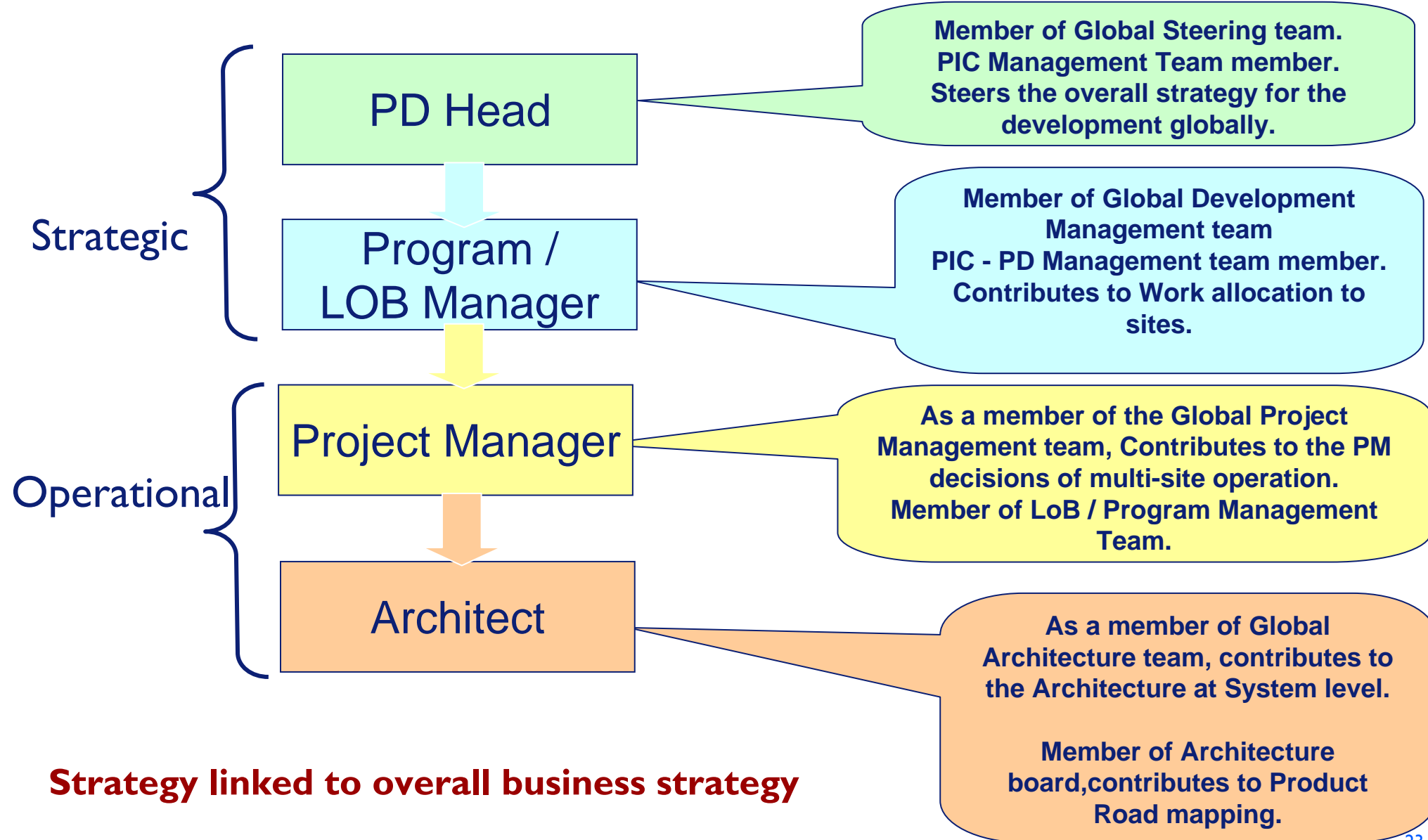
- Partnership vis-à-vis customer-supplier relationship → Maturity of the relationship
- Involvement in all phases
- Multi-site Process Agreements
- Project Management Discipline at all sites
- Autonomy to the off-shore site







# Multi-site : Involvement at various levels

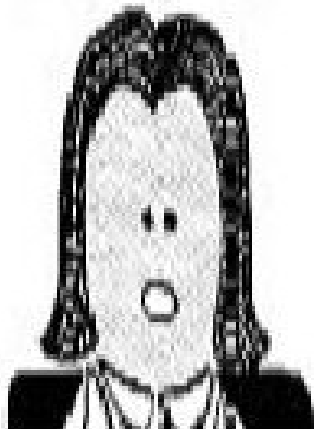


# PHILIPS

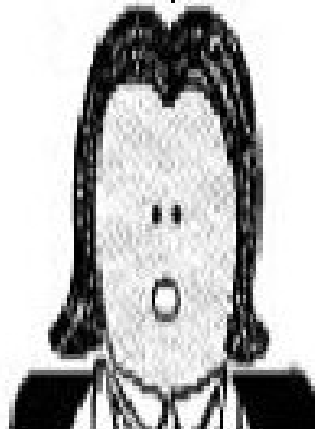
## Partnership Maturity

# Extended family

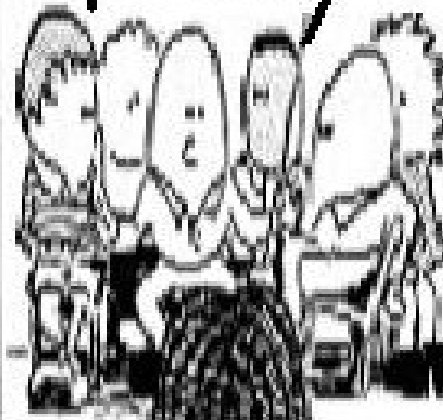
With all the competition we have, there's only one way that we can be successful



Each of you must work at developing a good relationship with our customers

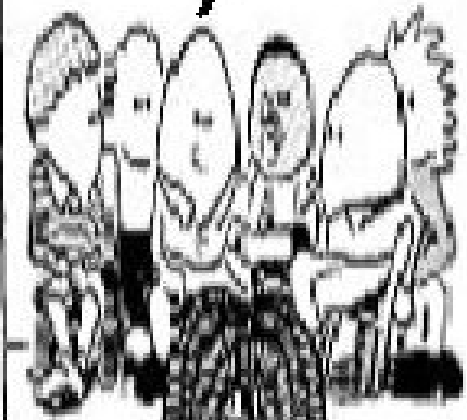


But how do we go about doing it?



By treating them like Family

Real Family or IN-LAWS ?

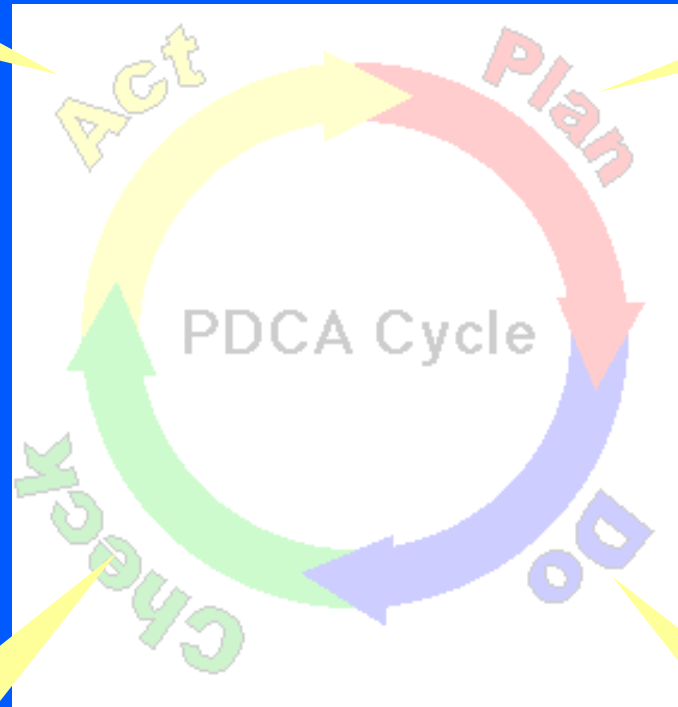




# PDCA Cycle to Partnership Management

**Communicate to Partner  
on improvement actions  
Re-trigger the process**

**Agree on weightages  
Initiate the CSS survey  
Inform Partner sites**



**Review & Track progress  
Initiate corrective &  
Improvement actions**

**Provide clarifications  
Obtain the survey results**

**Partnership Survey Tools Used**

# Example of Business evaluation

Before

## PIC Customer Hierarchy of Needs - TV

The Perfect Partner												
Critical value Chain Partner (Highly Valued Partner)	<table><tr><td>Influencing Standards 2.33</td><td>Contribution to Market Leadership 2.11</td><td>Define New Areas of Research 2.0</td></tr></table>					Influencing Standards 2.33	Contribution to Market Leadership 2.11	Define New Areas of Research 2.0	Assessment of Business Performance			
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Innovation Centre	<table><tr><td>Ownership of Requirements 2.67</td><td>Technology / New Product Roadmap 2.67</td><td>New Product Ideas &amp; Prototypes 2.67</td><td>Customer Partnership / Consulting 3.25</td></tr></table>				Ownership of Requirements 2.67	Technology / New Product Roadmap 2.67	New Product Ideas & Prototypes 2.67	Customer Partnership / Consulting 3.25				
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Key Competence Centre	<table><tr><td>Co-developing Requirements 3.33</td><td>Roadmap of Product Features 2.0</td><td>Product Domain Knowledge 3.33</td><td>Customer Orientation 3.05</td></tr></table>				Co-developing Requirements 3.33	Roadmap of Product Features 2.0	Product Domain Knowledge 3.33	Customer Orientation 3.05				
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Offshore Development Centre	<table><tr><td>Quality of Deliverables 2.74</td><td>On Time Delivery 2.87</td><td>Post Development Support 2.99</td><td>Advanced Competencies 2.88</td><td>Cost of Development</td><td>Responsiveness to Customer 3.4</td></tr></table>					Quality of Deliverables 2.74	On Time Delivery 2.87	Post Development Support 2.99	Advanced Competencies 2.88	Cost of Development	Responsiveness to Customer 3.4	Assessment of Project Performance
Quality of Deliverables 2.74	On Time Delivery 2.87	Post Development Support 2.99	Advanced Competencies 2.88	Cost of Development	Responsiveness to Customer 3.4							
Resource Center (On-site Consulting)	<table><tr><td>Adequate Resources</td><td>Basic Competencies</td><td>Cost of Resources</td><td>Customer Communication 3.26</td></tr></table>					Adequate Resources	Basic Competencies	Cost of Resources	Customer Communication 3.26			
Adequate Resources	Basic Competencies	Cost of Resources	Customer Communication 3.26									

After

## PIC Customer Hierarchy of Needs - TV

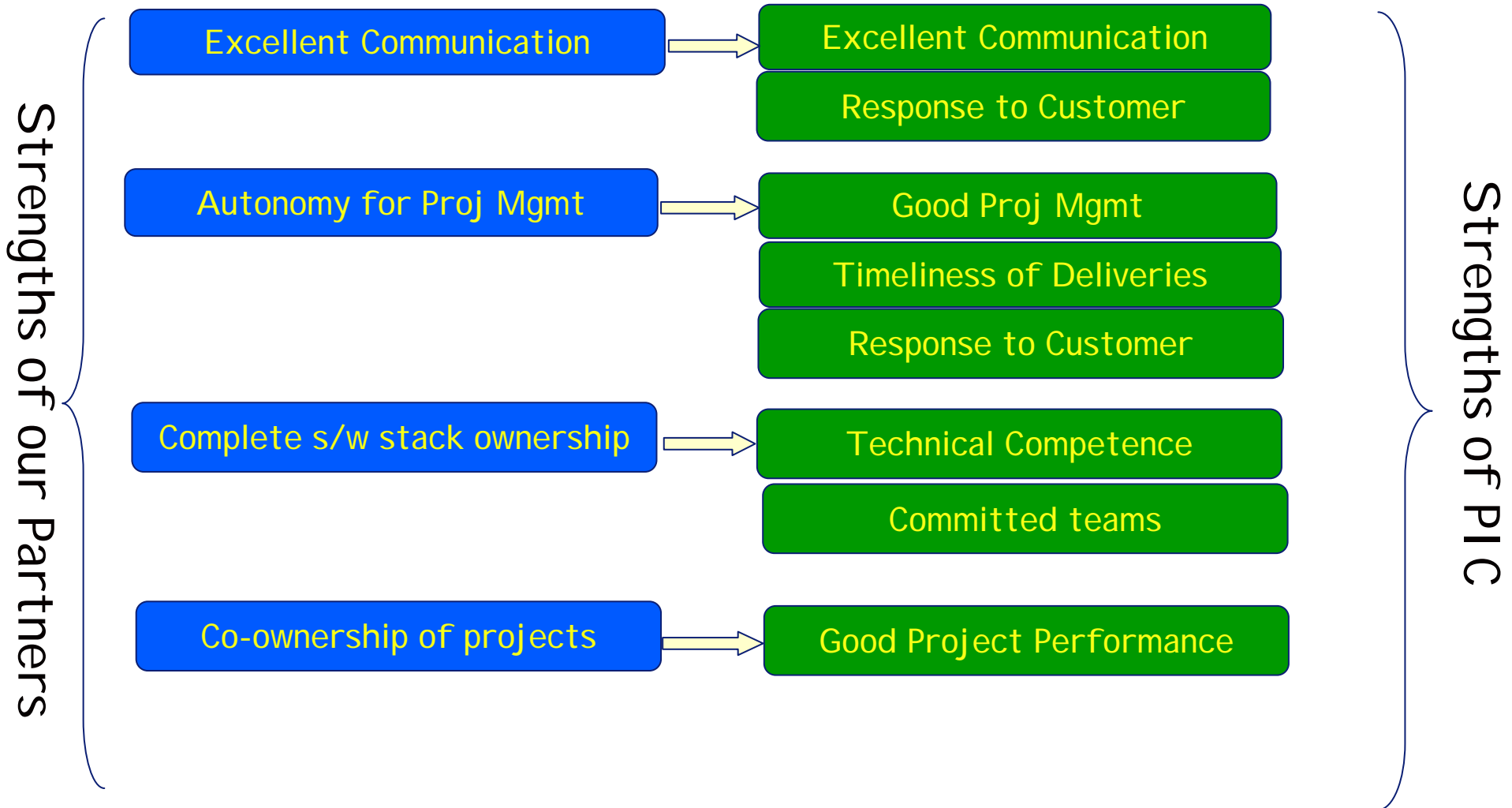
The Perfect Partner												
Critical value Chain Partner (Highly Valued Partner)	<table><tr><td>Influencing Standards 2.5</td><td>Contribution to Market Leadership 2.17</td><td>Define New Areas of Research 2.0</td></tr></table>					Influencing Standards 2.5	Contribution to Market Leadership 2.17	Define New Areas of Research 2.0	Assessment of Business Performance			
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Key Competence Centre	<table><tr><td>Co-developing Requirements 3.5</td><td>Roadmap of Product Features 2.0</td><td>Product Domain Knowledge 3.5</td><td>Customer Orientation 3.28</td></tr></table>				Co-developing Requirements 3.5	Roadmap of Product Features 2.0	Product Domain Knowledge 3.5	Customer Orientation 3.28				
Co-developing Requirements 3.5	Roadmap of Product Features 2.0	Product Domain Knowledge 3.5	Customer Orientation 3.28									
Offshore Development Centre	<table><tr><td>Quality of Deliverables 2.99</td><td>On Time Delivery 3.09</td><td>Post Development Support 3.25</td><td>Advanced Competencies 3.13</td><td>Cost of Development</td><td>Responsiveness to Customer 3.5</td></tr></table>					Quality of Deliverables 2.99	On Time Delivery 3.09	Post Development Support 3.25	Advanced Competencies 3.13	Cost of Development	Responsiveness to Customer 3.5	Assessment of Project Performance
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# Reverse Evaluation

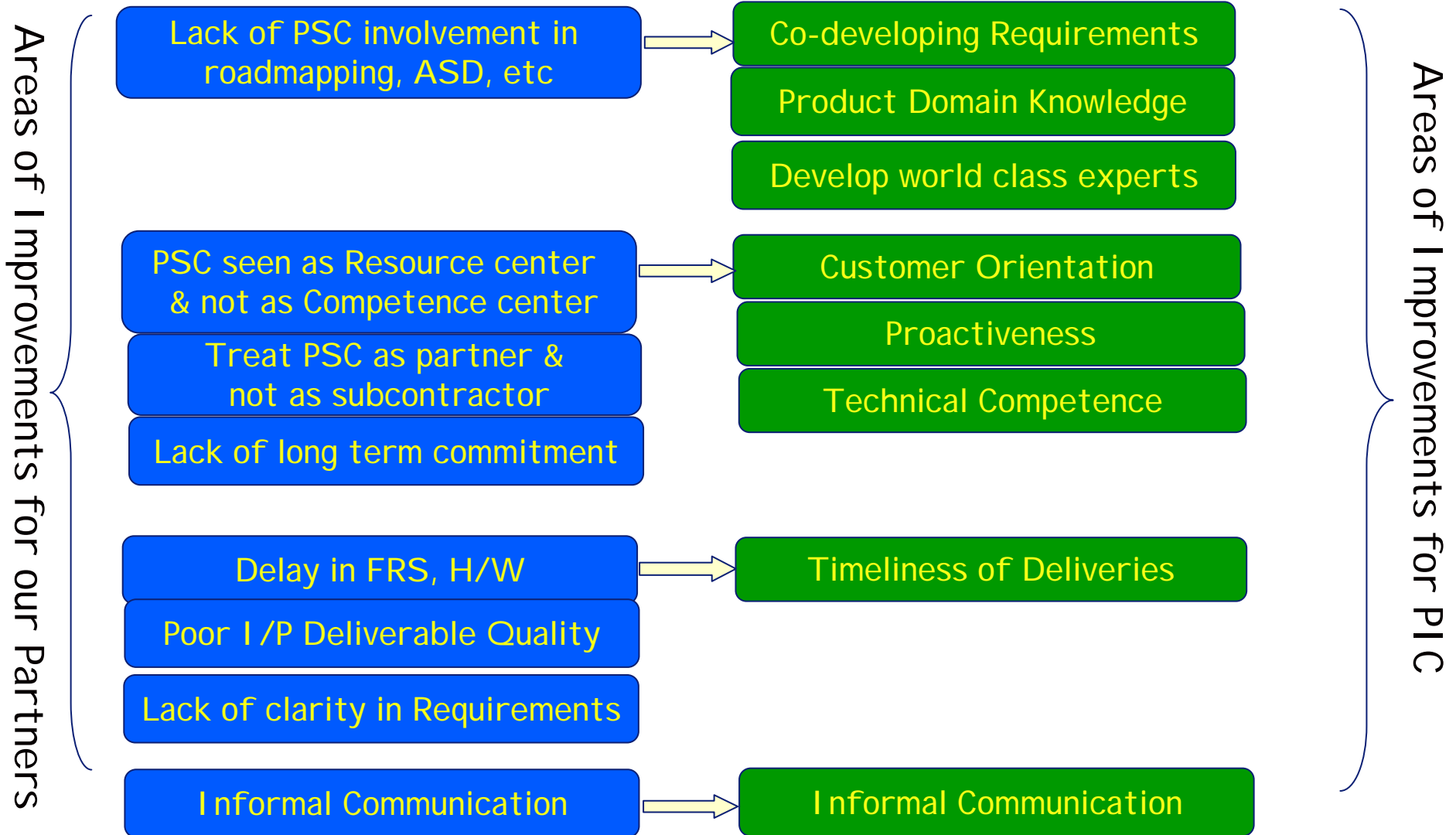




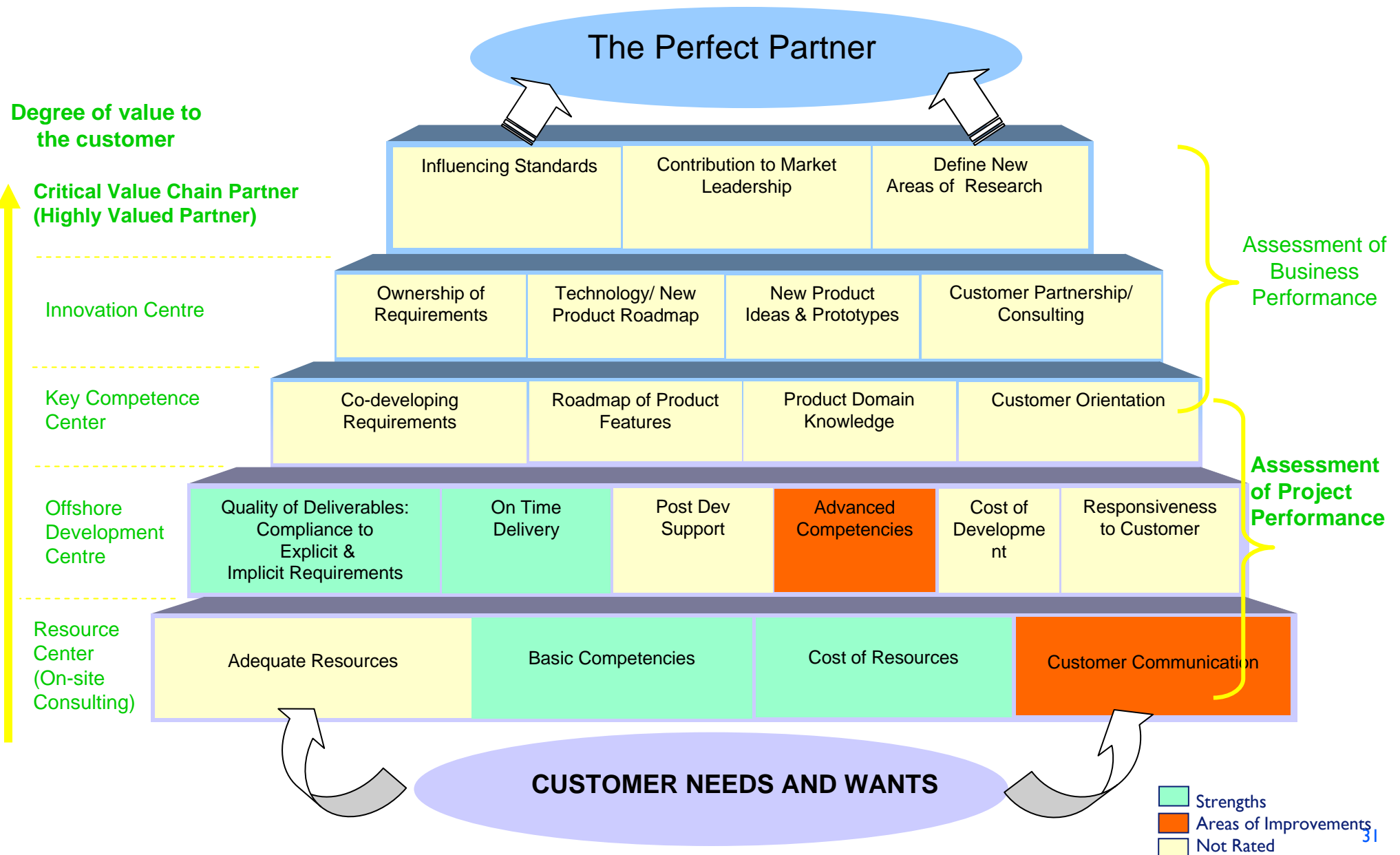
# Mutual Strengths that help us Perform



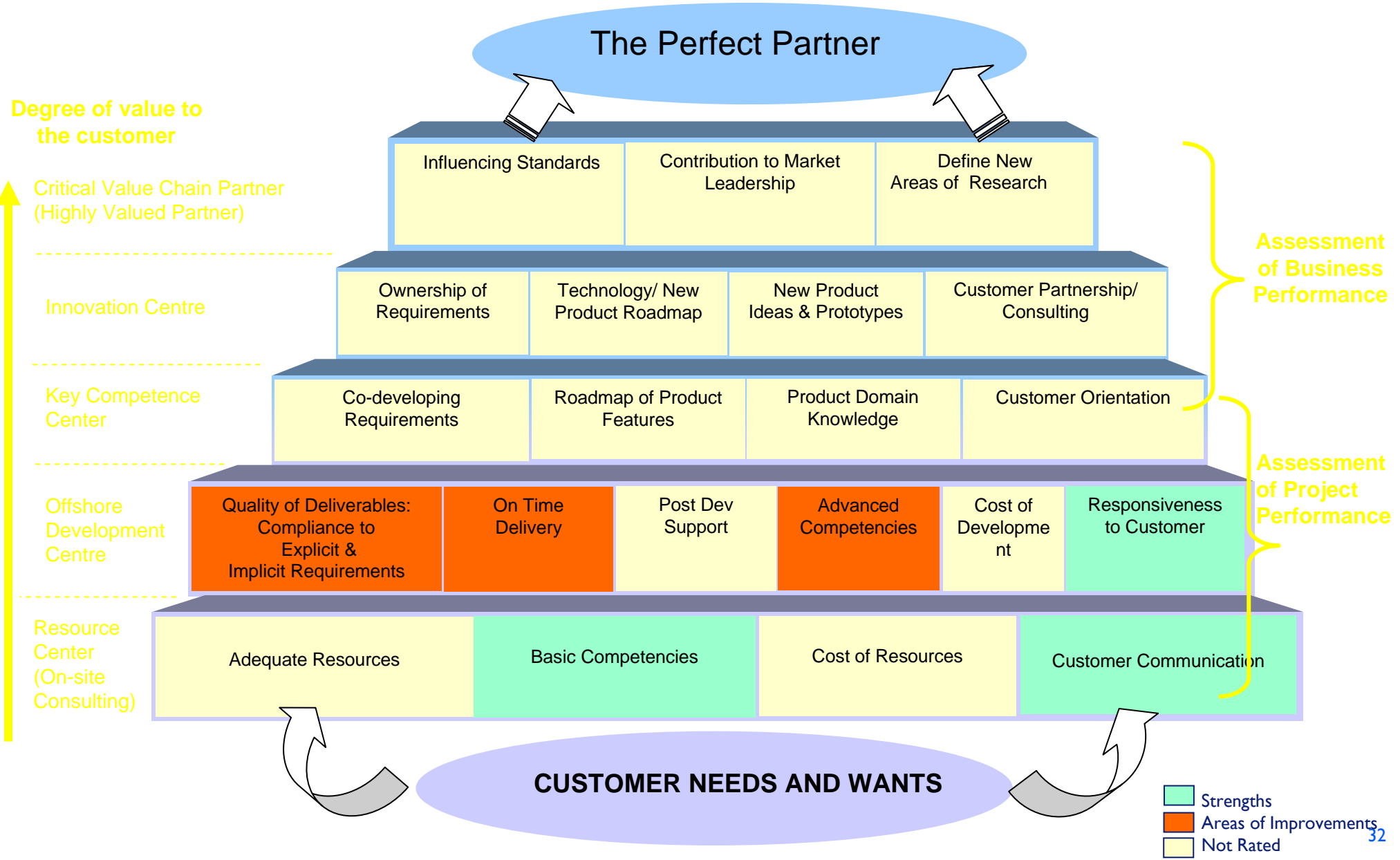
# Mutual Areas of Improvements



Partnership Maturity Index 1999

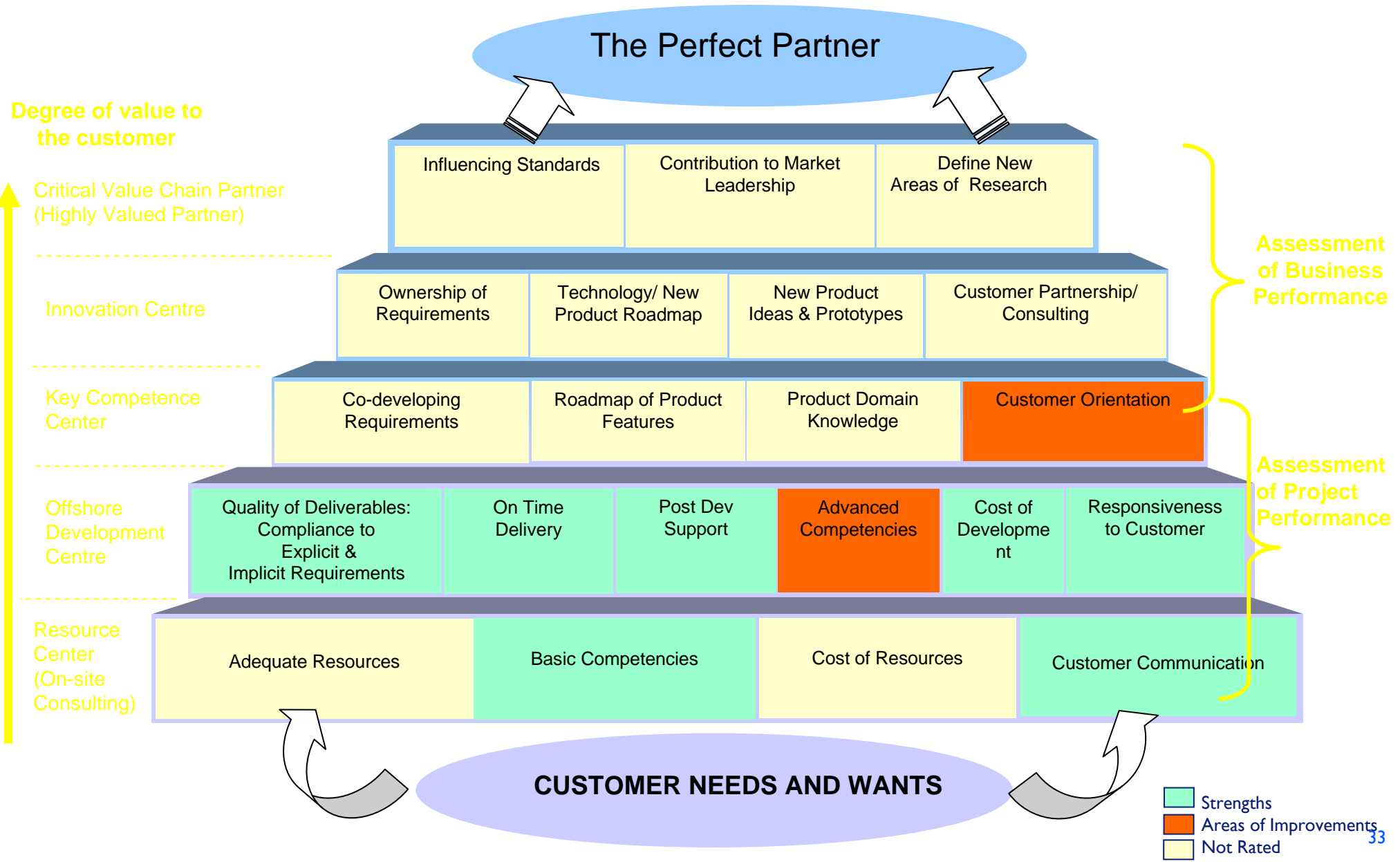


## Partnership Maturity Index 2000

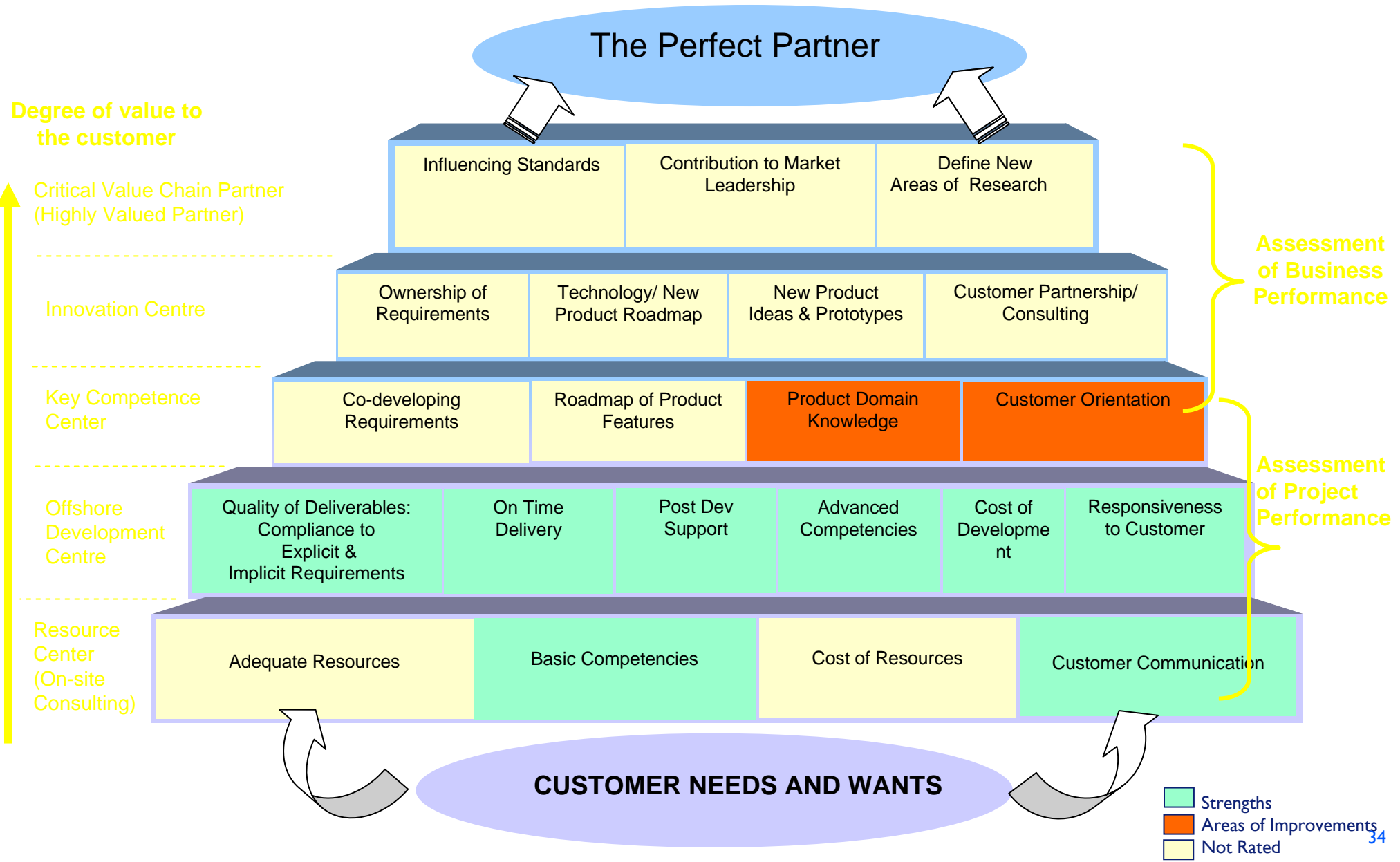




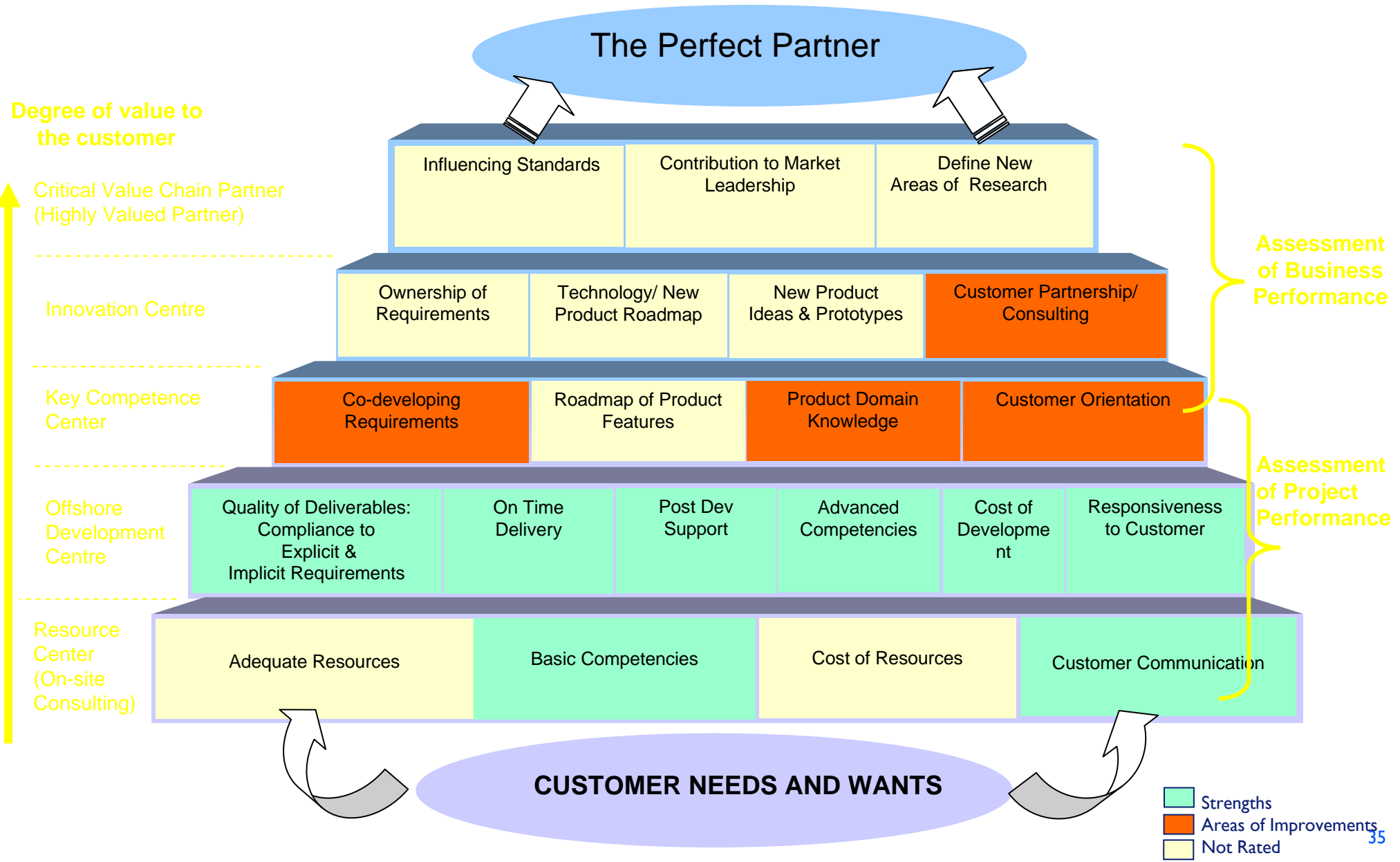
## Partnership Maturity Index 2001



## Partnership Maturity Index 2002



## Partnership Maturity Index 2003



# Learnings

- Strong fundamentals enable us to move up the value chain faster
- “Needs” on both sites need to be met - Therefore both sites need to move together up the value chain - for a true partnership
- All new teams start from Level 1/2. It is just that they can move up faster, by leveraging on the experiences that already exist with the earlier teams



# PHILIPS

Setup for Success

## Let us DRIVE IT together (BLR-EHV)

**Know the face behind the voice**



John Coumans  
**MG-R**  
*Development Mgr*

Joost Verhoeks a.i.  
**MG-R**  
*Requirements Manager*

*Product  
Requirements*



Louis Stroucken  
**Global Arch Board  
(GAB) Manager**

*Architecture and  
Technology*



Willem-Jan Verberne  
**MG-R**  
*Program Manager*

*MG-R Common  
SW Projects*



Madhusudan Iyer  
**Groupleader**  
*MG-R Eindhoven*

*People and Process*



Kishore Reddy  
**Program Manager**  
*Bangalore*

*People and Process*



## Team Start up

- Partnership Maturity Index used to set expectations
- Core team on-site with own management (recommended period is 1Q) : Strengthens communication, Builds relationships
- Core team involved in early phases. No “loss of information”, Transfers everything “between the ears”
- Key people visit PIC to get a first hand feel ..... and often  
“Noise” starts to peak between 4<sup>th</sup> week and 6<sup>th</sup> week !!!

## We are “One Philips” (BLR-SGP)





## Pre-requisites for success

- White Paper approach used to set up partnerships : Ensures shared Ownership
- “Linking Pin” at both sites : Eases communication and prevents misunderstandings
- Overall Project Management at parent site needs to be capable of executing SW-intensive multi-site projects
- Critical phases of project under one-roof
- People Management left to local management of Bangalore
- Flexible, but assertive team at PIC

# ONE ROOF team in BLR (BRG – BLR)





# Outward Bound Learning (BLR – LEU)





Let us **CELEBRATE** together (BLR – LEU)





## Productive teams



# PHILIPS

Success.....

.....By Design

“There’s no great mystery  
to customer satisfaction.

We have all been and will continue  
to be customers, and we know  
what makes us happy.”

**CUSTOMER IS THE FOCUS**

**PHILIPS**

**sense and simplicity**

